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STATE QUARTERLY ECONOMIC DEVELOPMENTS



U.S. DEPARTMENT OF COMMERCE
Economic Development Administration
Office of Minority Business Enterprise
Bureau of Economic Analysis
January 1979

U.S. DEPARTMENT OF COMMERCE

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New York



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For:

Office of Minority Business Enterprise and
Economic Development Administration

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INTRODUCTION

This is one of 51 reports published 4 times a year—in January, April, July, and October—on current economic developments in the States and the District of Columbia. The reports are the result of an interagency effort within the Department of Commerce to assemble and interpret, in a consistent manner for all States, current economic data from a variety of public and private sources. Each report contains analyses and data for a number of key economic indicators (see below) for the quarter ending four months prior to the publication date; this quarter is the most recent one for which data are available and is hereafter termed the “current” quarter. Each report highlights percent changes in the key economic indicators between the current quarter and the corresponding quarter one year earlier (hereafter termed the “year-ago” quarter); the use of this timespan eliminates the distorting effects of data fluctuations that recur seasonally. In addition, each report compares percent changes for a State with the corresponding changes for the Nation in order to assess the extent to which the State participates in national economic developments. The use of economic indicators for which the estimation methods are the same for all States facilitates State-to-State comparisons.

Each report sheds light on various aspects of a State’s economy, such as the size of consumer and industrial markets, changes in the price level, the number of persons working or looking for work, and the future level of building activity. This information is particularly valuable to persons in government, business, the media, and the academic community who follow economic developments in particular States.

Key economic indicators

Each report focuses on all or most of the following key economic indicators:

1. **Personal income** consists of private and government wage and salary disbursements, other labor income (such as employers’ contributions to private social insurance programs), farm and nonfarm proprietors’ income, dividends, interest, rents, and transfer payments (such as unemployment insurance benefits), less personal contributions for social insurance. It is measured before the deduction of personal taxes. It is the only key economic indicator adjusted for seasonality; it is not adjusted for price changes. Personal income measures the size of consumer markets and, when presented by industry of origin, can be interpreted as a measure of the size of industrial markets.
2. The **labor force** consists of all civilians classified as employed or unemployed. **Employed persons** comprise (a) those who did any work for pay or profit or worked 15 hours or more per week as unpaid workers in a family enterprise, and (b) those who were not working but who had jobs or businesses from which they were temporarily absent for noneconomic reasons. **Unemployed persons** comprise those who had no jobs, but made specific efforts to find jobs and were available for work.

3. **Commercial bank loans** consist of commercial and industrial loans, loans to individuals, real estate loans, loans to farmers (except for real estate), and other loans (such as loans to other banks). They exclude holdings of government securities. **Commercial bank deposits** consist of demand deposits—which are noninterest-bearing and subject to withdrawal on demand—and time and savings deposits—which are interest-bearing and for which some advance notice may be required before withdrawal. It should be noted that loans and deposits reported by banks in a State may reflect the economic activities of nonresidents as well as residents.
4. **Construction contracts** represent estimated costs of structures contracted for and started, or due to start within 60 days. The total consists of the following types of structures: residential housekeeping (including additions and alterations), residential nonhousekeeping (such as hotels), nonresidential (such as stores and factories), and nonbuilding (such as streets and highways). The total includes subcontracting costs, such as those for roofing. **Dwelling units** started, or due to start are those with built-in facilities for cooking and, where required by climate, for heating. Among the key economic indicators, construction starts data are useful because they indicate future economic activity.
5. **Retail sales** comprise total receipts from customers of establishments primarily engaged in selling goods for personal or household consumption and in rendering services incidental to the sale of the goods. Sales data, which indicate the level of consumer demand, are available for 19 States.
6. The **consumer price index** is a statistical measure of changes in prices for a fixed “market basket” of goods and services bought by a particular population group. In this report, the group consists of urban wage earners and clerical workers. In future reports, it will consist of all urban consumers. The index is available for about two dozen metropolitan areas in the Nation. The index is useful for measuring price changes over time; it cannot be used for making cost-of-living comparisons among areas because of differences among areas in the “market baskets.”
7. **Business incorporations** consist of new businesses that incorporate under State laws, businesses that transfer from noncorporate to corporate status, corporations that transfer from one State to another, and corporations that become certified to operate in an additional State. **Business failures** consist of concerns involved in court proceedings or voluntary actions that are likely to end in losses to creditors. Because of differences among States in incorporation and debt assignment laws, care must be taken in making State-to-State comparisons for either indicator.

For a more thorough discussion of the above indicators and their components, contact: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Analysis Division, Washington, D.C. 20230.

Organization of each report

Each report has two main parts.

The State—has three sections:

1. **Highlights.** This section contains a brief discussion and a summary table. The discussion summarizes percent changes in the key economic indicators for the State between the year-ago quarter and the current quarter, and compares these percent changes with the corresponding changes for the Nation. The table shows the underlying data.
2. **Analysis.** This section contains a longer discussion and a bar chart for each of the following indicators and their components: (a) personal income and, if available, consumer prices, (b) labor force, (c) banking, (d) construction, and (e) retail sales (discussion if available). In general, the discussions and bar charts analyze percent changes in the above indicators and their components for the State between the year-ago quarter and the current quarter, and compare these percent changes with the corresponding changes for the Nation.
3. **Data.** This section contains a table and a line chart for each of the following indicators and their components: (a) personal income, (b) labor force, (c) banking, and (d) construction. This section also contains tables for the following: (e) retail sales, (f) consumer prices, and (g) business incorporations and failures. In general, the tables show State and national data for the current quarter and the year-ago quarter, and State data for the quarter preceding the current quarter and the corresponding year-ago quarter. The tables also show State and national percent changes between the year-ago quarter and the current quarter, and between the quarter preceding the year-ago quarter and the quarter preceding the current quarter. The line charts show the movements over time of quarterly State and national data.

The National-Regional Overview—has two sections:

1. **Nation.** This section contains a brief discussion of national economic developments, mainly for the timespan subsequent to the “current” quarter. The discussion focuses on gross national product, personal income, prices, employment and unemployment, and construction.
2. **Regions and States.** This section—which shows the economic development in any one region or State in the perspective of developments in other regions or States—contains a discussion and a data map of the Nation, divided into regions and States, for several of the key economic indicators. In general, the discussions and maps focus on percent changes in the indicators between the year-ago and the current quarter.

TABLE 1. SUMMARY OF ECONOMIC INDICATORS
UNITED STATES AND NEW YORK
THROUGH THIRD QUARTER, 1978.

	UNITED STATES	:	NEW YORK	:	PERCENT CHANGE					
	:	:	:	:	:					
	ALL INDICATORS, EXCEPT INCOME, NOT SEASONALLY ADJUSTED									
	1977-III:	1978-III:	1977-II :	1977-III:	1978-II : 1978-III :					
	1977-III:	1978-III:	1977-II :	1978-III:	U.S.: STATE: U.S.: STATE:					
TOTAL PERSONAL INCOME (\$ MIL.)	1,532,619	1,718,491	133,215	136,496	145,309	148,692	11.4	9.1	12.1	8.9
TOT. WAGES + SALARIES (\$ MIL.)	983,052	1,100,202	88,299	90,189	96,320	98,065	11.7	9.1	11.9	8.7
CIVILIAN EMPLOYMENT (THOUS.)	91,978	95,786	7,085	7,158	7,256	7,372	4.4	2.4	4.1	3.0
UNEMPLOYMENT (THOUS.)	6,712	6,055	695	668	582	600	-13.4	-16.3	-9.8	-10.2
PERCENT UNEMPLOYED (UNEMPLOYMENT/LABOR FORCE)	6.8	5.9	8.9	8.5	7.4	7.5	---	---	---	---
TOTAL LOANS (\$ MIL.)	583,750	678,642	87,808	90,146	97,187	101,251	16.3	10.7	16.3	12.3
TOTAL DEPOSITS (\$ MIL.)	864,689	963,932	134,342	130,842	143,065	144,142	11.6	6.5	11.5	10.2
TOTAL VALUATION OF CONSTRUCTION CONTRACTS (\$ THOUS.)	47,540,528	54,343,288	1,710,225	2,113,106	2,527,727	2,059,631	1.3	47.8	14.3	-2.5
DWELLING UNITS STARTED (NO.)	516,046	518,088	10,246	11,917	15,912	11,018	14.4	55.3	.4	-7.5
TOTAL RETAIL SALES (\$ MIL.)	178,878	197,273	12,514	12,538	13,784	13,149	10.5	10.1	10.3	4.9
CONSUMER PRICE INDEX(1967=100)										
U.S. CITY AVERAGE	183.3	197.8	---	---	---	---	7.0	---	7.9	---
BUFFALO	---	---	181.3	182.7	191.3	194.7	---	5.5	---	---
NEW YORK CITY--NE NEW JERSEY	---	---	184.8	187.0	194.0	196.8	---	5.0	---	5.2
NEW BUSINESS INCORP. (NO.)	111,242	N.A.	13,358	12,476	14,015	N.A.	12.1	4.9	---	---
BUSINESS FAILURES (NO.)	1,760	N.A.	250	150	162	N.A.	-25.0	-35.2	---	---

N.A. DATA NOT AVAILABLE.
SOURCE: SEE TABLES 2 THROUGH 8.

NEW YORK

Highlights

1977:III to 1978:III

Personal income	<ul style="list-style-type: none">—Up less than 9%, more than 3 percentage points less than in U.S.—Payroll gains small in most major industries
Consumer prices	<ul style="list-style-type: none">—Up 6.6% in Buffalo and 5.2% in New York City-Northeastern New Jersey vs. 7.9% in U.S.
Employment	<ul style="list-style-type: none">—Up 3.0% vs. 4.1% in U.S., to 7.4 million
Unemployment	<ul style="list-style-type: none">—Rate down 1 percentage point to 7.5 percent, fifth highest in Nation, vs. 5.9% nationally
Commercial banking	<ul style="list-style-type: none">—Total loans up 12.3% vs. 16.3% in U.S.—Commercial and industrial loans weak—Total deposits up 10.2% vs. 11.5% in U.S.
Construction	<ul style="list-style-type: none">—Total valuation of contracts down 2.5% vs. 14.3% increase in U.S., to \$2.1 billion—Weakness in all major categories of contracts except residential nonhousekeeping—Number of dwelling-unit starts down 7.5% vs. near stability in U.S., to 11,020

Chart 1
Personal Income
Percent Change, 1977:III - 1978:III
[Seasonally adjusted]

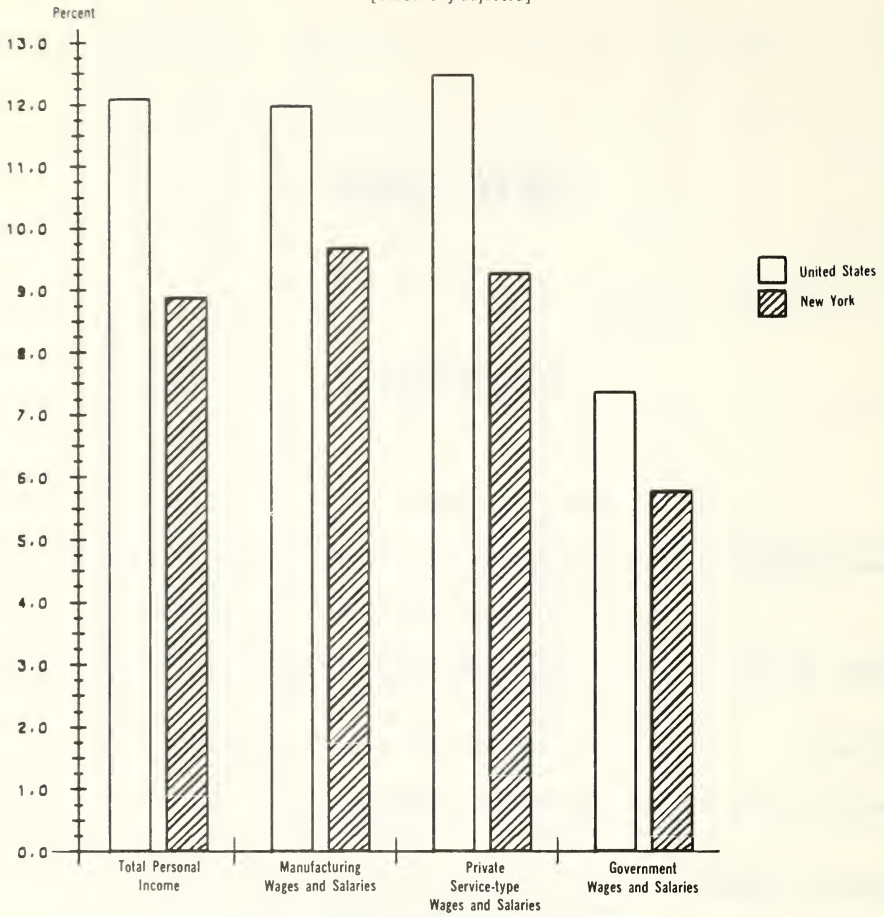
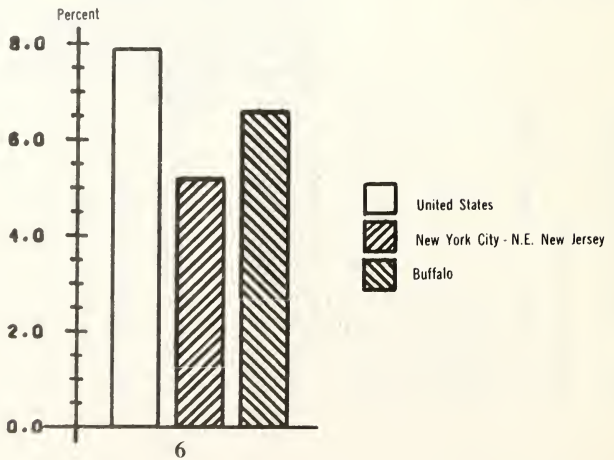


Chart 2
Consumer Price Index
Percent Change, 1977:III - 1978:III



Analysis

Personal Income

Total personal income (seasonally adjusted at annual rates) increased less than 9 percent from 1977:III to 1978:III, more than 3 percentage points less than nationally (table 2). Only Michigan and Alaska registered smaller increases than New York's. In 1978:III, New York's personal income totaled \$148.7 billion, up \$12.2 billion since 1977:III.

During the same timespan, the **consumer price index** for Buffalo increased 6.6 percent, and the index for the New York City-Northeastern New Jersey area increased 5.2 percent; the increase in the Nation was 7.9 percent (table 7). If the average increase for the two metropolitan areas is used as an indicator for price movements in the State, real total personal income in New York increased about 3 percent from year to year versus about 4 percent nationally.

Wage and salary disbursements (payrolls) increased 8.7 percent, 3.2 percentage points less than in the Nation. New York registered smaller increases than nationally in all major industries. Payrolls in contract construction were up 10 percent, only slightly more than one-half of the national increase. Manufacturing payrolls were up 9.7 percent versus an increase of 12.0 percent in the Nation; gains in both durable and nondurable goods manufacturing were smaller in New York than nationally. Private service-type payrolls rose 9.3 percent in New York versus a national increase of 12.5 percent. The advance in the finance-insurance-real estate component was 9.5 percent, 4.6 percentage points less than nationally. Payrolls in this component accounted for 6.3 percent of the State's total income in 1978:III versus 3.5 percent nationally. The increase in the services industry in New York was 8.3 percent, 4.2 percentage points less than nationally. Services payrolls accounted for 13.0 percent of the State's income in 1978:III versus 9.7 percent nationally.

Federal Government payrolls declined nearly 1 percent in the State versus an increase of 7.2 percent nationally. In contrast, State and local government payrolls increased 7.3 percent in the State, almost as rapidly as in the Nation. State and local government payrolls were an unusually important source of income in New York, accounting for about 10 percent of the State's total personal income versus about 8 percent nationally.

With the State's economy continuing to grow, State unemployment insurance benefits declined at about the national rate of decline, 25 percent.

Chart 3
Labor Force, Employment,
and Unemployment, 1978:III
New York

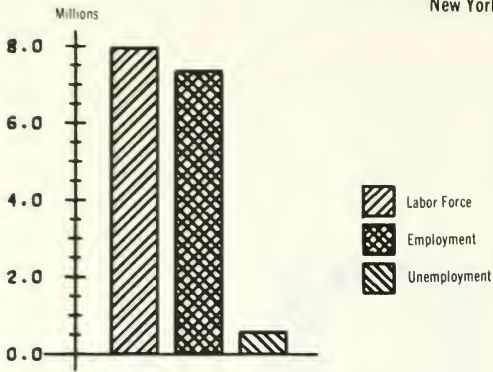


Chart 4
Unemployment Rates, 1977:III – 1978:III

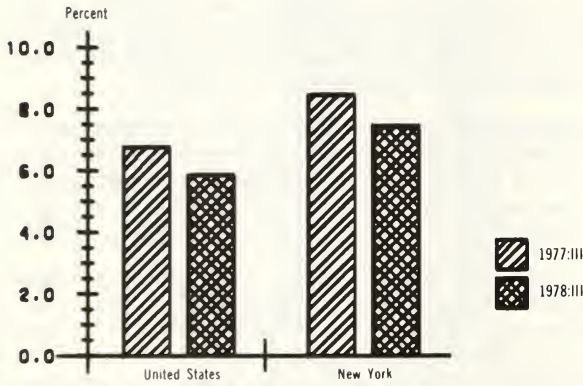
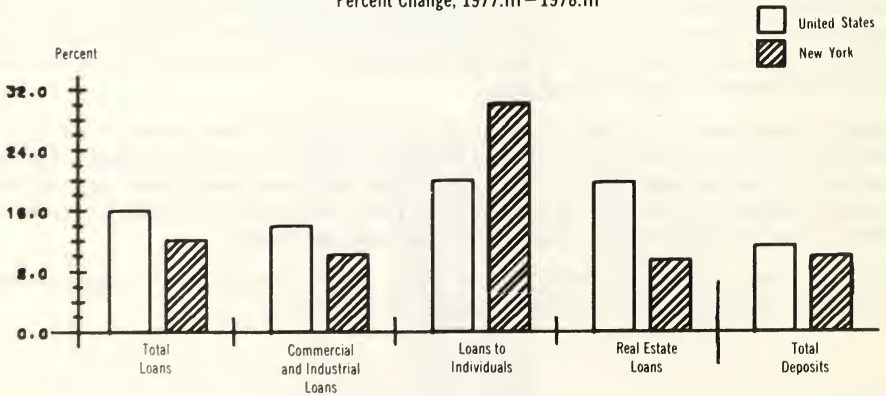


Chart 5
Commercial Banking Indicators:
Value of Loans and Deposits
Percent Change, 1977:III – 1978:III



Labor Force

From 1977:III to 1978:III, the **civilian labor force** rose 1.9 percent, to nearly 8.0 million, versus 3.2 percent in the Nation (table 3). **Total employment** rose 3.0 percent versus 4.1 percent in the Nation. Twenty-nine States had sharper gains in employment than New York. In 1978:III, nearly 7.4 million persons were at work in the State.

With the labor force increasing by 146,000 and total employment increasing 214,000, the number of **unemployed** declined 68,000, to 600,000. The State's **unemployment rate** declined 1.0 percentage point, from 8.5 percent in 1977:III (1.7 percentage points above the U.S. rate) to 7.5 percent in 1978:III (still 1.6 percentage points above the U.S. rate). In 1978:III, only four States and the District of Columbia had higher unemployment rates.

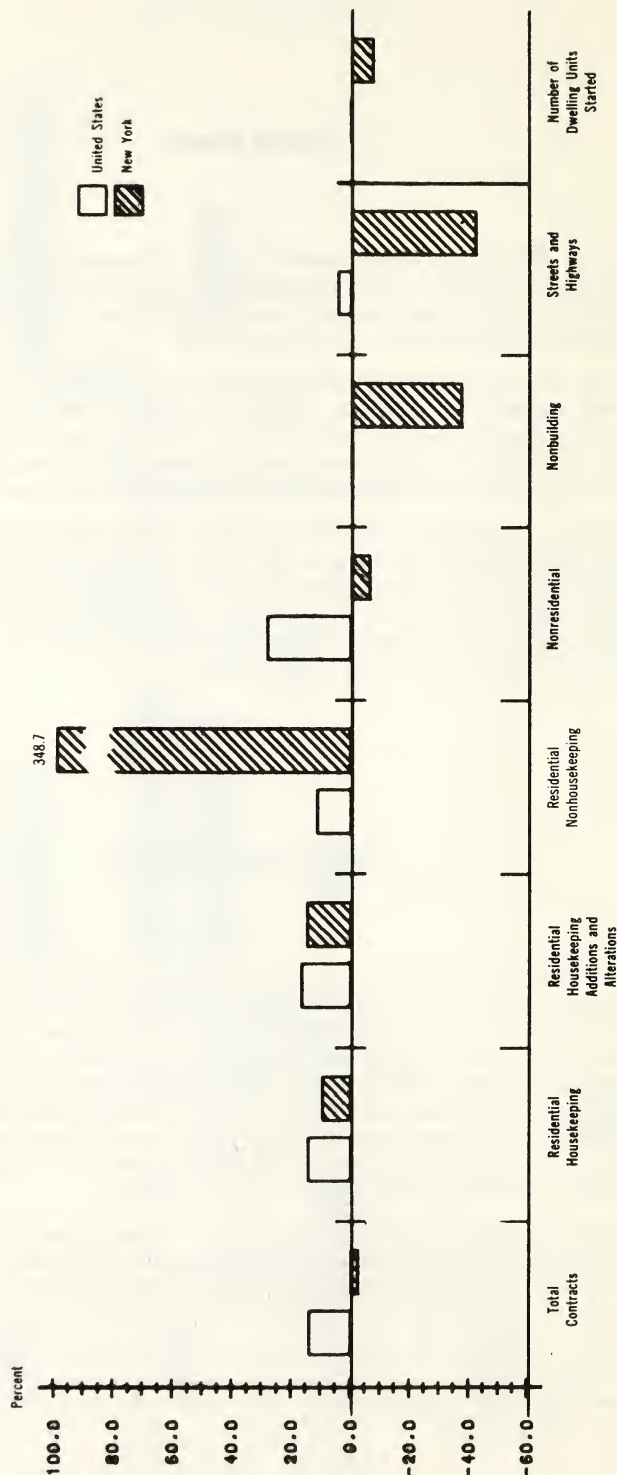
Preliminary data for September 1978 show New York State's unemployment rate at 7.7 percent, 1.2 percentage points below the year-ago rate. Most of the major metropolitan areas in the State also had declines from year to year. An exception was Buffalo, where the unemployment rate was 8.3 percent in both years. In September 1978, unemployment rates ranged from a high of 8.9 percent in New York City to lows of 5.9 percent in Albany-Schenectady-Troy and 5.1 percent in Poughkeepsie.

Commercial Banking

Total loans in New York rose 12.3 percent from 1977:III to 1978:III versus a gain of 16.3 percent in the Nation (table 4). Only six States had smaller gains. Loans in New York in 1978:III totaled \$101.3 billion, up \$11.1 billion since 1977:III. Commercial and industrial loans rose 10.4 percent, lagging the national gain by nearly 4 percentage points. Commercial and industrial loans accounted for 46 percent of all loans in the State versus a weight of 32 percent in the Nation. Real estate loans rose 9.6 percent in New York, a gain that was only one-half of the Nation's gain; only Georgia and Rhode Island had smaller gains. In sharp contrast, loans to individuals rose 32.2 percent, a gain of 10 percentage points more than that in the Nation; only Washington, Nevada, and California had larger gains.

Total deposits rose 10.2 percent in New York and 11.5 percent nationally. New York's gain was one of the largest in the Northeast. The State's gains in both demand deposits (9.2 percent) and time and savings deposits (11.2 percent) lagged the corresponding national gains.

Chart 6
Construction Contracts:
Valuation of Contracts and Number
of Dwelling Units Started:
Percent Change, 1977:III - 1978:III



Construction

From 1977:III to 1978:III, the total valuation of construction contracts declined 2.5 percent (\$53.5 million) to about \$2.1 billion, compared with a 14.3-percent U.S. gain (table 5). All categories of construction contracts, except residential nonhousekeeping, either declined in valuation or advanced at rates below the national average. During the same timespan, national construction costs rose about 8 percent; if this increase is representative of cost changes in New York, the decline in the real valuation of contracts was more than 10 percent versus a national increase of about 6 percent.

Nonbuilding contracts declined 37.5 percent in valuation (to \$385.6 million) compared with a U.S. decline of 0.5 percent. New York's decline was one of the sharpest in the Nation. The valuation of the street and highway component of nonbuilding contracts declined 42.4 percent (to \$152.6 million), compared with a national increase of 4.6 percent. Again, New York's decline was one of the sharpest in the Nation. About one-half of the decline was due to a \$68 million contract in 1977:III for the construction of a bridge in Dutchess County, which raised the valuation of street and highway contracts to an unusually high level and thereby distorted the subsequent year-to-year change in the State.

The valuation of nonresidential contracts declined 6.6 percent versus a U.S. gain of 28.4 percent. These contracts fell \$21.3 million to \$300.2 million.

Residential housekeeping contracts increased 9.8 percent in valuation (to \$433.4 million), compared with 14.4 percent nationally. The number of dwelling units started declined 7.5 percent (to 11,018) versus a small U.S. gain of 0.4 percent. Residential housekeeping additions and alterations increased 14.7 percent (to \$878.8 million), compared with a U.S. gain of 16.8 percent.

The valuation of residential nonhousekeeping contracts rose 348.7 percent in New York because of a \$45 million contract in 1978:III for the construction of a hotel in New York City. The national increase was 11.5 percent.

Retail Sales

Retail sales in New York totaled over \$13.1 billion in 1978:III, up 4.9 percent (\$611 million) since 1977:III (table 6). Nationally, retail sales rose 10.3 percent from year to year. Nondurable goods sales totaled almost \$9.6 billion in the State, and durable goods sales, almost \$3.6 billion.

Chart 7
Total Personal Income
[Seasonally adjusted]

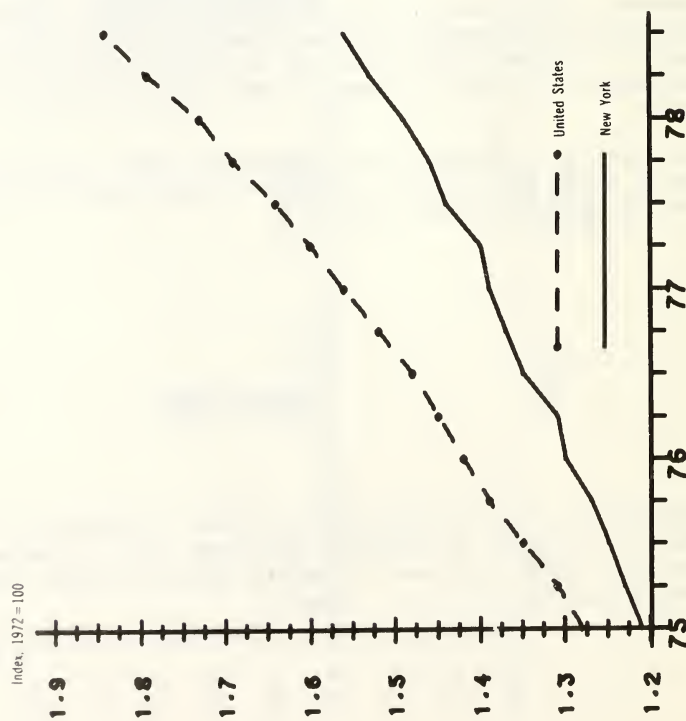


Chart 8
Industrial Composition of
Wages and Salaries
New York
[Seasonally adjusted]

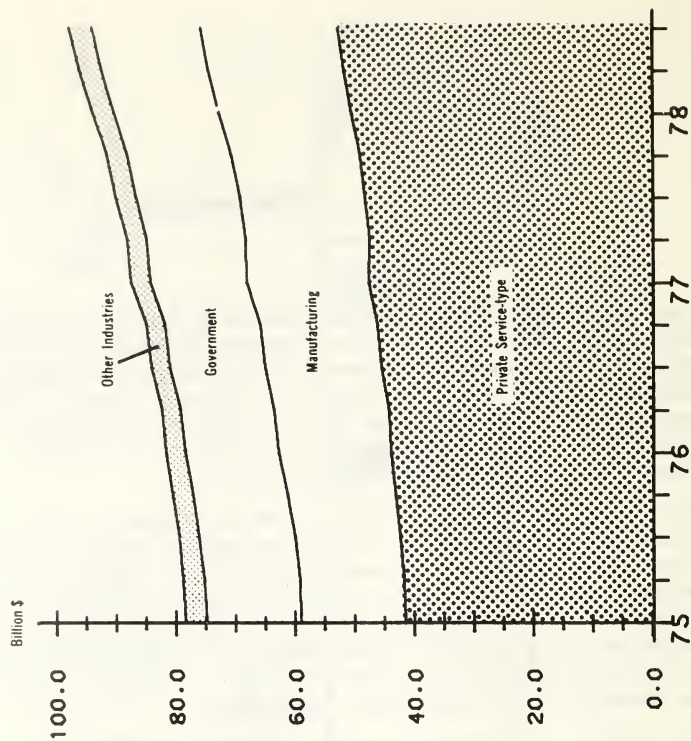


TABLE 2. PERSONAL INCOME
UNITED STATES AND NEW YORK
THROUGH THIRD QUARTER, 1978.

	UNITED STATES		NEW YORK		PERCENT CHANGE (1)		
			MILLIONS OF DOLLARS (2)				
	(SEASONALLY ADJUSTED AT ANNUAL RATES)						
	1977-III:	1978-III:	1977-II:	1977-III:	1978-II:	1978-III:	U.S.: STATE:
TOTAL PERSONAL INCOME	1,532,619	1,718,491	133,215	136,496	145,309	148,692	11.4 9.1 12.1 8.9
FARM PERSONAL INCOME	23,068	31,651	358	316	345	389	15.4 -3.5 37.2 23.3
NONFARM PERSONAL INCOME	1,509,551	1,686,840	132,858	136,180	144,964	148,303	11.4 9.1 11.7 8.9
TOTAL PERSONAL INCOME	1,532,619	1,718,491	133,215	136,496	145,309	148,692	11.4 9.1 12.1 8.9
WAGE AND SALARY DISBURSEMENTS	983,052	1,100,202	88,299	90,189	96,320	98,065	11.7 9.1 11.9 8.7
OTHER LABOR INCOME	92,192	107,853	7,323	7,608	8,379	8,645	17.5 14.4 17.0 13.6
PROPRIETORS' INCOME	96,732	114,957	5,844	5,972	6,300	6,439	12.5 7.8 18.9 7.8
FARM	15,684	23,624	144	88	100	135	18.3 -30.9 50.6 53.7
NONFARM	81,048	91,343	5,699	5,884	6,200	6,303	11.1 8.8 12.7 7.1
DIVIDENDS, INTEREST, AND RENT	210,120	235,289	21,374	21,977	23,514	24,108	11.0 10.0 12.0 9.7
TRANSFER PAYMENTS	211,924	230,660	20,844	21,382	22,327	23,120	8.2 7.1 8.8 8.1
STATE UNEMPL. INS. BENEFITS	11,016	8,234	1,594	1,266	1,113	958	-30.2 -25.3 -24.3
LESS: PERSONAL CONTRIBUTIONS	61,016	70,032	5,166	5,220	5,735	5,799	14.3 11.0 14.8 11.1
PLUS: RESIDENCE ADJUSTMENT	-385	-448	-5,303	-5,412	-5,795	-5,886	---
WAGE AND SALARY DISBURSEMENTS	983,052	1,100,202	88,299	90,189	96,320	98,065	11.7 9.1 11.9 8.7
FARM	6,988	7,572	199	212	228	235	7.6 14.9 8.4 11.1
NONFARM	976,064	1,092,630	88,100	89,977	96,092	97,830	11.8 9.1 11.9 8.7
MINING	14,244	18,083	165	165	167	171	21.0 .8 27.0 3.8
CONTRACT CONSTRUCTION	54,680	65,019	2,814	2,894	3,192	3,190	16.7 13.4 18.9 10.2
MANUFACTURING	267,748	299,965	20,862	20,948	22,732	22,975	11.9 9.0 12.0 9.7
DURABLE GOODS	169,628	192,717	12,039	12,069	13,229	13,534	13.3 9.9 13.6 12.1
NONDURABLE GOODS	98,120	107,248	8,824	8,879	9,502	9,442	9.4 7.7 9.3 6.3
PRIVATE SERVICE-TYPE	441,024	496,133	47,547	48,459	52,004	52,947	12.4 9.4 12.5 9.3
TRANS., COMMUN., + PUB. UT.	73,672	80,619	7,473	7,497	8,174	8,156	10.4 9.4 9.4 8.8
WHOLESALE + RETAIL TRADE	166,108	188,346	14,571	15,709	16,114	16,114	12.4 8.8 13.4 10.6
FINANCE, INS., + REAL EST.	52,460	59,834	8,252	8,562	9,096	9,371	14.2 10.2 14.1 9.5
SERVICES	148,784	167,334	17,384	17,830	19,024	19,306	12.8 9.4 12.5 8.3
GOVERNMENT	195,256	209,743	16,513	17,309	17,765	18,311	8.1 7.6 7.4 5.8
FEDERAL	64,892	69,595	3,102	3,136	3,098	3,109	-1.1 7.2 -9.9
STATE AND LOCAL	130,364	140,148	13,411	14,172	14,667	15,201	8.4 9.4 7.5 7.3
OTHER	3,112	3,687	200	202	232	235	17.7 16.3 18.5 16.3

1. BASED ON UNROUNDED DATA.

2. DETAIL MAY NOT ADD TO TOTALS BECAUSE OF ROUNDING.

SOURCE: U.S. DEPARTMENT OF COMMERCE, BUREAU OF ECONOMIC ANALYSIS, REGIONAL ECONOMIC MEASUREMENT DIVISION.

Chart 9
Civilian Labor Force,
Employment, and Unemployment Rate

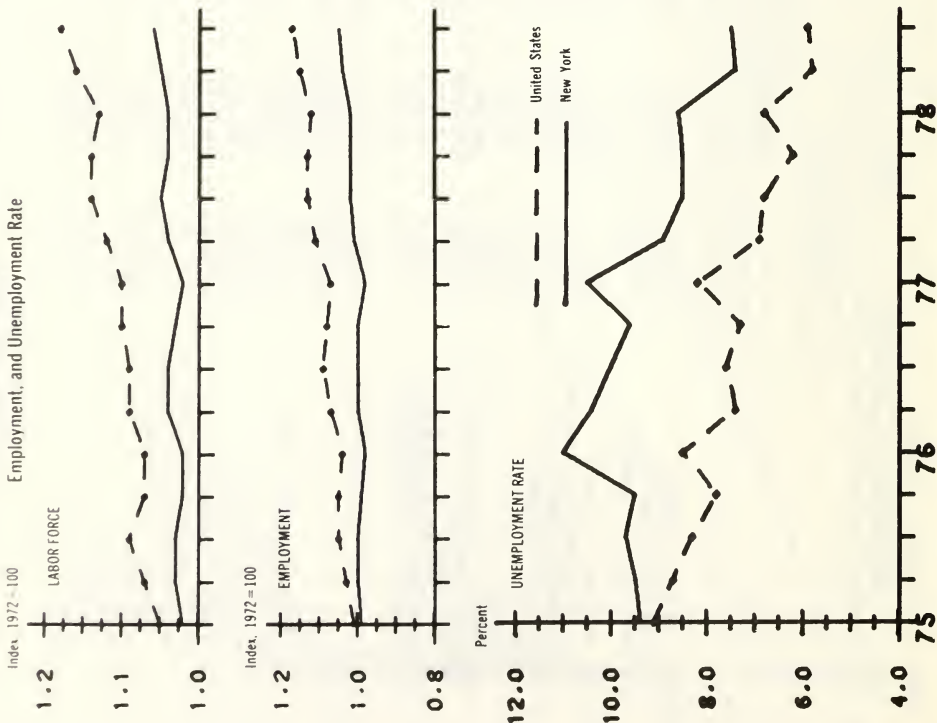


Chart 10
Industrial Composition of
Nonagricultural Employment
New York

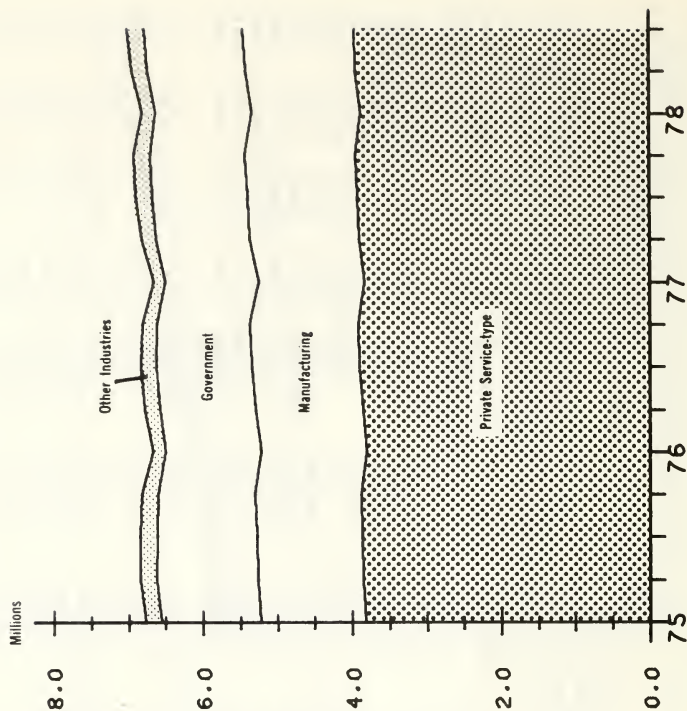


TABLE 3. LABOR FORCE
UNITED STATES AND NEW YORK
THROUGH THIRD QUARTER, 1978.

	UNITED STATES		NEW YORK		PERCENT CHANGE(1)	
	1977-III:	1978-III:	1977-III:	1978-III:	1977-III TO 1978-III	1978-III TO 1978-III
	THOUSANDS OF PERSONS(2)		THOUSANDS OF PERSONS(2)		1977-III TO 1978-III	
	(NOT SEASONALLY ADJUSTED)		(NOT SEASONALLY ADJUSTED)		1978-III	
	1977-III:	1978-III:	1977-III:	1978-III:	U.S.:	U.S.:
EMPLOYEES ON NONAGR. PAYROLLS	82,725	86,233	6,828	6,901	7,003	4.4
MINING	831	898	7	8	7	6.5
CONTRACT CONSTRUCTION	4,164	4,588	192	208	220	11.2
MANUFACTURING	19,830	20,466	1,461	1,470	1,485	3.6
TRANS., COMM., + PUB. UT.	4,701	4,876	426	425	422	2.9
WHOLESALE + RETAIL TRADE	18,555	19,529	1,425	1,430	1,441	4.2
FINANCE, INS., + REAL EST.	4,523	4,744	578	582	587	5.2
SERVICES	15,494	16,194	1,486	1,502	1,522	5.1
GOVERNMENT	14,627	14,958	1,253	1,275	1,325	3.7
CIVILIAN LABOR FORCE(3)	98,690	101,841	7,780	7,826	7,972	3.2
TOTAL EMPLOYED	91,978	95,786	7,085	7,158	7,372	4.4
TOTAL UNEMPLOYED	6,712	6,055	695	668	600	-13.4
PERCENT UNEMPLOYED	6.8	5.9	8.9	8.5	7.5	---

1 BASED ON UNROUNDED DATA.

2 DETAIL MAY NOT ADD TO TOTALS BECAUSE OF ROUNDING.

3 BEGINNING JANUARY 1978, THESE DATA ARE BEING ESTIMATED BY NEW METHODS, USING MORE CURRENT DATA. THIS CREATES A BREAK IN THE SERIES, AND USERS ARE ADVISED TO EXERCISE CAUTION WHEN MAKING COMPARISONS OVER TIME.

SOURCE: U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS.

Chart 11
Commercial Banking Indicators:
Value of Loans

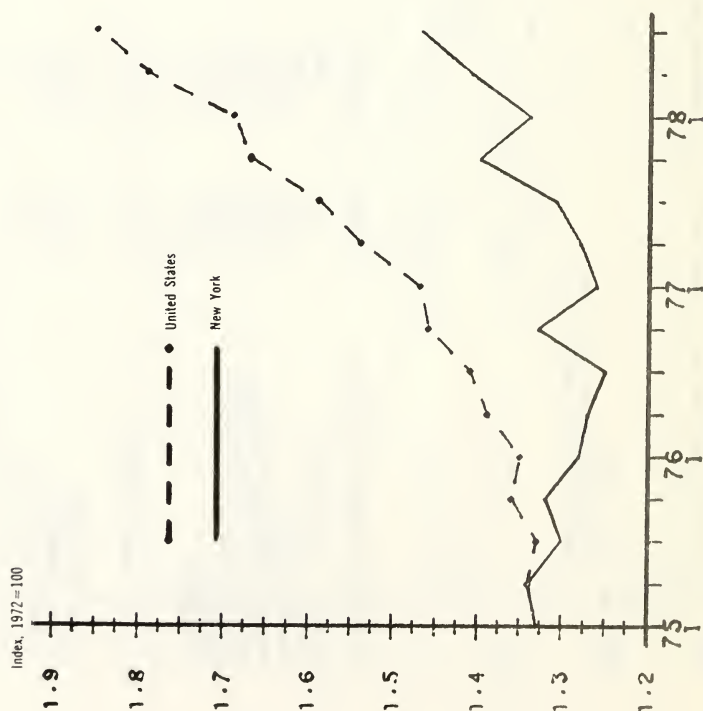


Chart 12
Commercial Banking Indicators:
Value of Deposits

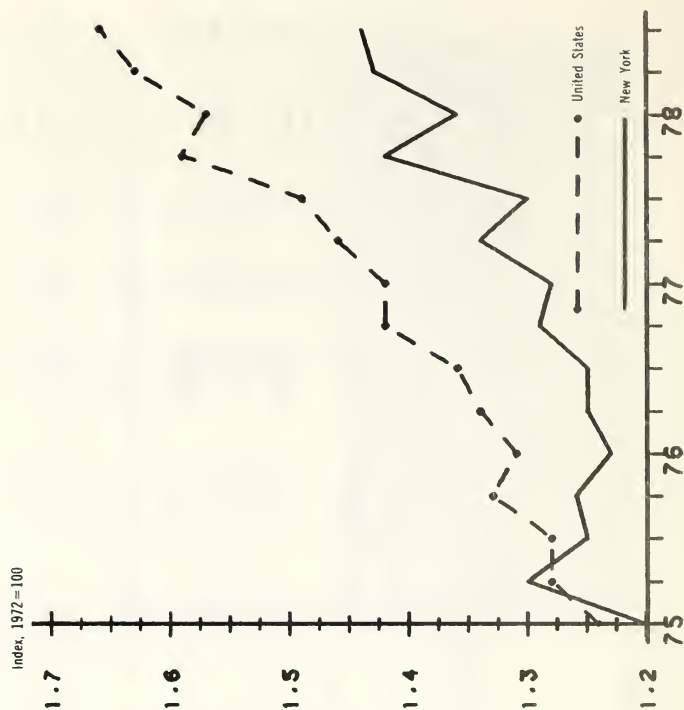


TABLE 4. COMMERCIAL BANKING INDICATORS
UNITED STATES AND NEW YORK
THROUGH THIRD QUARTER, 1978.

	UNITED STATES	NEW YORK		PERCENT CHANGE(1)		
		MILLIONS OF DOLLARS (2)		1977-II	TO : 1977-III	TO :
		(NOT SEASONALLY ADJUSTED)		1978-II	1978-III	1978-III
		1977-III:	1978-III:	1977-II :	1978-III:	U.S.: STATE:
TOTAL LOANS	583,750	678,642	87,808	90,146	101,251	16.3 10.7 16.3 12.3
COMMERCIAL + INDUSTRIAL	187,539	214,206	41,821	41,962	46,308	14.9 8.1 14.2 16.4
LOANS TO INDIVIDUALS	134,752	162,035	10,226	10,684	13,906	20.3 26.6 20.2 30.2
REAL ESTATE	170,264	204,214	14,004	14,117	15,470	19.4 5.1 19.9 9.6
RESIDENTIAL	97,026	117,692	7,321	7,483	8,056	20.6 10.0 21.3 15.4
FARMS	7,607	8,418	113	118	123	11.6 8.6 10.7 3.8
OTHER	65,631	78,104	6,570	6,516	6,710	18.5 -4 19.0 3.0
FARMS EXCL. REAL ESTATE	26,271	28,053	350	350	357	5.4 .8 6.8 1.9
OTHER	64,924	70,134	21,407	23,033	25,210	8.5 11.9 8.0 9.5
TOTAL DEPOSITS	864,689	963,932	134,342	130,842	144,142	11.6 6.5 11.5 10.2
DEMAND	335,502	369,844	73,433	69,467	75,879	10.7 2.1 10.2 9.2
TIME + SAVINGS	529,188	594,088	60,909	61,375	68,264	12.2 11.8 12.3 11.2

1 BASED ON UNROUNDED DATA.

2 DETAIL MAY NOT ADD TO TOTALS BECAUSE OF ROUNDING.
SOURCE: U.S. FEDERAL DEPOSIT INSURANCE CORPORATION.

Chart 13
Construction Contracts—
Total Valuation of Contracts

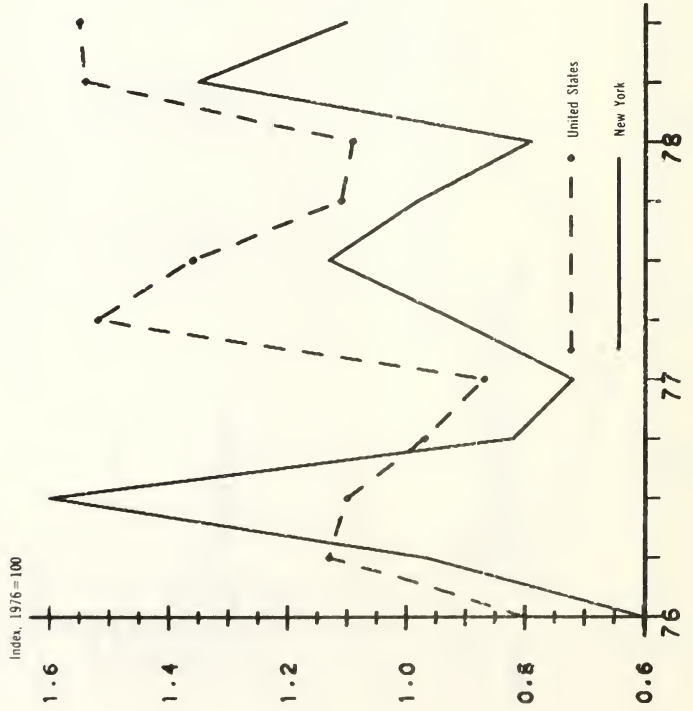


Chart 14
Construction Contracts—Valuation of
Contracts by Type
New York

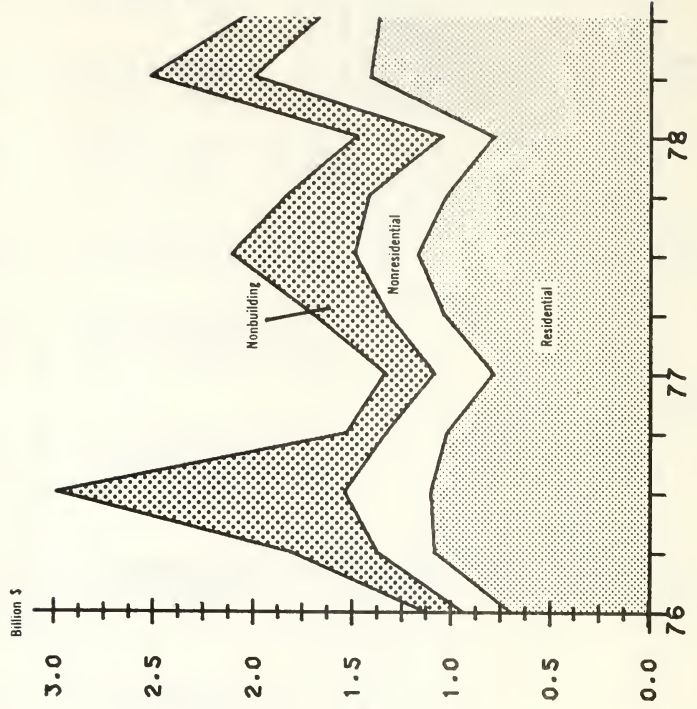


TABLE 5. CONSTRUCTION CONTRACTS(1)
UNITED STATES AND NEW YORK
THROUGH THIRD QUARTER, 1978.

	UNITED STATES		NEW YORK		PERCENT CHANGE(2)	
	1977-III	1978-III	1977-II	1978-III	1977-II TO 1978-III	1978-III TO 1978-III
NOT SEASONALLY ADJUSTED						
	1977-III	1978-III	1977-II	1978-III	1978-III	U.S.: STATE: U.S.: STATE:
TOTAL VALUATION OF CONTRACTS VAL. (\$ THOUS.)	47,540,528	54,343,288	1,710,225	2,113,106	2,527,727	2,059,631 1.3 47.8 14.3 -2.5
RES. HSEKEEPING. ADD. + ALT. VAL. (\$ THOUS.)	8,754,665	10,221,397	707,195	766,005	700,135	878,822 7.3 -1.0 16.8 14.7
ALL OTHER CONTRACTS						
NO. OF CONTRACTS	66,341	69,253	2,310	2,351	2,570	2,294 10.0 11.3 4.4 -2.4
VAL. (\$ THOUS.)	38,785,863	44,121,891	1,003,030	1,347,101	1,827,592	1,180,809 .2 82.2 13.8 -12.3
FLOOR AREA(THOUS. SQ. FT.)	989,915	1,093,273	17,723	22,526	27,351	21,780 23.8 54.3 10.4 -3.3
RESIDENTIAL HOUSEKEEPING						
NO. OF CONTRACTS	15,229	14,447	404	366	426	359 1.7 5.4 -5.1 -1.9
NO. OF DWELLING UNITS	516,046	518,088	10,246	11,917	15,912	11,018 14.4 55.3 .4 -7.5
VAL. (\$ THOUS.)	17,066,413	19,516,741	329,247	394,654	606,066	433,397 28.0 84.1 14.4 9.8
FLOOR AREA(THOUS. SQ. FT.)	668,371	731,169	11,208	14,180	17,604	13,377 22.3 57.1 9.4 -5.7
RESIDENTIAL NONHOUSEKEEPING						
NO. OF CONTRACTS	548	493	17	16	25	19 -3.7 47.1 -10.0 18.8
VAL. (\$ THOUS.)	459,398	512,050	8,380	13,731	112,450	61,605 59.3 *** 11.5 348.7
FLOOR AREA(THOUS. SQ. FT.)	12,445	12,762	145	393	431	1,156 14.6 197.1 2.5 194.3
NONRESIDENTIAL						
NO. OF CONTRACTS	30,452	29,689	1,052	1,005	1,196	996 10.8 13.7 -2.5 -.9
VAL. (\$ THOUS.)	10,190,032	13,079,406	285,497	321,521	585,820	300,204 34.6 105.2 28.4 -6.6
FLOOR AREA(THOUS. SQ. FT.)	309,099	349,342	6,370	7,954	9,316	7,248 27.7 46.2 13.0 -8.9
NONBUILDING						
NO. OF CONTRACTS	20,112	24,624	837	964	923	920 15.5 10.3 22.4 -4.6
VAL. (\$ THOUS.)	11,070,020	11,013,694	379,906	617,195	523,256	385,603 -42.3 37.7 -.5 -37.5
STREETS + HIGHWAYS						
NO. OF CONTRACTS	7,958	8,695	220	277	234	244 14.4 6.4 9.3 -11.9
VAL. (\$ THOUS.)	2,547,323	2,664,917	154,110	265,021	162,633	152,628 28.9 5.5 4.6 -42.4

1. CONTRACTS STARTED OR EXPECTED TO START WITHIN 60 DAYS.

2. PERCENT CHANGES FOR FLOOR AREA BASED ON UNROUNDED DATA.

*** PERCENT CHANGE GREATER THAN 999.9.

NOTE: DETAIL FOR FLOOR AREA DATA MAY NOT ADD TO TOTALS BECAUSE OF ROUNDING.
SOURCE: F.W. DODGE DIVISION, MCGRAW-HILL INFORMATION SYSTEMS COMPANY.

TABLE 6. RETAIL SALES
UNITED STATES AND NEW YORK
THROUGH THIRD QUARTER, 1978.

UNITED STATES :	NEW YORK	PERCENT CHANGE
MILLIONS OF DOLLARS		
(NCT SEASONALLY ADJUSTED)		
1977-III: 1978-III:	1977-II : 1977-III: 1978-II : 1978-III:	1977-II TO : 1977-III TO : 1978-II : 1978-III :
		U.S. : STATE: U.S. : STATE:

	197,273	12,514	12,538	13,149	10.5	10.1	10.3
RETAIL SALES	178,878			13,784			
DURABLE GOODS	61,286	N.A.	N.A.	4,005	12.0	---	---
NONDURABLE GOODS	117,592	128,863	N.A.	9,779	9.7	---	---
							9.6
							11.6
							4.9

N.A. DATA NOT AVAILABLE.
SOURCE: U.S. DEPARTMENT OF COMMERCE, BUREAU OF CENSUS.

TABLE 7. CONSUMER PRICE INDEX(1)
UNITED STATES AND NEW YORK
THROUGH THIRD QUARTER 1978.

UNITED STATES	NEW YORK	PERCENT CHANGE
INDEX, 1967=100 (NCT SEASONALLY ADJUSTED)		
1977-III: 1978-III:	1977-II : 1977-III: 1978-II : 1978-III:	1977-II TO : 1977-III TO : 1978-II : 1978-III :
		U.S. : STATE: U.S. : STATE:

U.S. CITY AVERAGE (2)	183.3	197.8	---	---	---	7.0	---
BUFFALO	---	---	181.3	182.7	191.3	194.7	6.6
NEW YORK	---	---	184.8	187.0	194.0	196.8	5.0
CITY--NE NEW JERSEY	---	---	---	---	---	---	5.2

1. CONSUMER PRICE INDEXES ARE SHOWN FOR THE MOST RELEVANT SMSA(S) FOR WHICH DATA ARE AVAILABLE.

2 AVERAGE FOR 85 REPRESENTATIVE URBAN AREAS BASED ON THE 1970 CENSUS OF POPULATION.

NOTE: UNREVISED DATA ARE USED FOR THE QUARTERS PRIOR TO JANUARY 1978, AND REVISED DATA ARE USED FOR THE SUBSEQUENT QUARTERS. USERS ARE ADVISED TO EXERCISE CAUTION WHEN MAKING COMPARISONS OVER TIME.

SOURCE: U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS.

TABLE 8. BUSINESS INCORPORATIONS AND FAILURES
UNITED STATES AND NEW YORK
THROUGH THIRD QUARTER, 1978.

	UNITED STATES	:	NEW YORK	:	PERCENT CHANGE					
			NCT SEASONALLY ADJUSTED							
	1977-III:	1978-III:	1977-II :	1977-III: 1978-II :	1978-III TO : 1978-II : 1978-III :					
					U.S.: STATE: U.S.: STATE:					
NEW BUSINESS INCORPORATIONS	111,242	N.A.	13,358	12,476	14,015	N.A.	12.1	4.9	---	---
TOTAL NO. OF BUSINESS FAILURES	1,760	N.A.	250	150	162	N.A.	-25.0	-35.2	---	---
CURRENT LIABILITIES(\$ THOUS.)	1,013,071	N.A.	85,885	636,998	104,797	N.A.	-45.1	22.0	---	---
AV. LIABILITY PER FAILURE (\$ THOUS.)	576	N.A.	344	4,247	647	N.A.	-26.8	88.1	---	---
BUSINESS FAILURES BY INDUSTRY										
MINING + MANUFACTURING	268	N.A.	55	38	42	N.A.	-22.7	-23.6	---	---
CONTRACT CONSTRUCTION	314	N.A.	17	5	7	N.A.	-25.5	-58.8	---	---
WHOLESALE TRADE	218	N.A.	40	28	25	N.A.	-18.3	-37.5	---	---
RETAIL TRADE	735	N.A.	109	64	66	N.A.	-25.9	-39.4	---	---
COMMERCIAL SERVICES	225	N.A.	29	15	22	N.A.	-28.8	-24.1	---	---

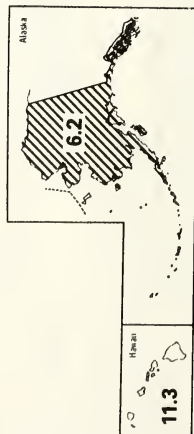
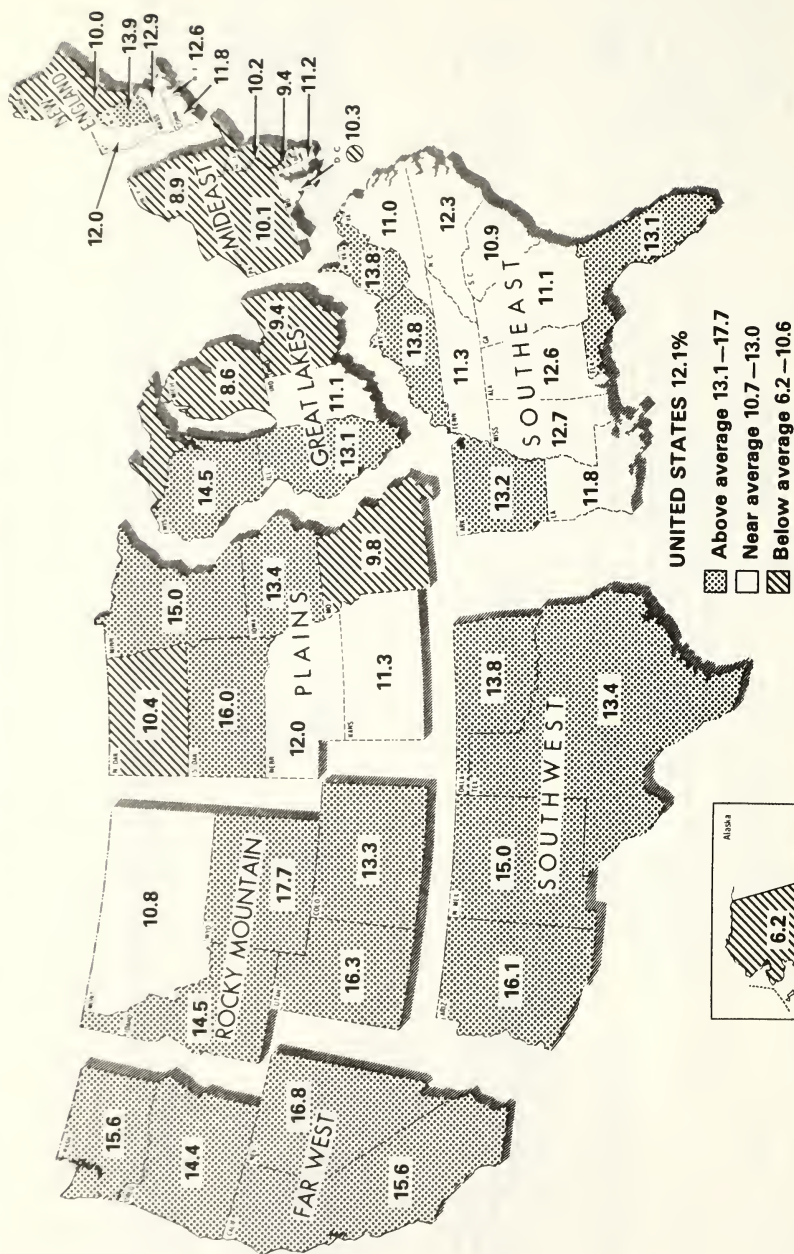
N.A. DATA NOT AVAILABLE.

SOURCE: DUN + BRADSTREET, INC.

SOURCE: DUN & BRADSTREET, INC.
NOTE: THE BUSINESS FAILURES BY INDUSTRY SERIES IS NOT STRICTLY COMPARABLE TO THE TOTAL BUSINESS FAILURES SERIES. THIS TABLE MAY NOT BE REPRODUCED WITHOUT THE PERMISSION OF DUN & BRADSTREET, INC.

Map 1.

Total Personal Income: Percent Change, 1977: III — 1978: III



U.S. Department of Commerce, Bureau of Economic Analysis

NATIONAL-REGIONAL OVERVIEW

Nation

In 1978:III, **gross national product** (GNP) adjusted for price changes, that is, real output, increased 2.6 percent, according to revised estimates released December 20, 1978. This increase compared with an increase of 8.7 percent in 1978:II and a decrease of 0.1 percent in 1978:I. (These estimates are at seasonally adjusted annual rates.) The changes in output this year have been affected by the coal strike and the severe weather of last winter. In 1978:I, these factors depressed output; in 1978:II, a large rebound added to output; in 1978:III, there was an additional but smaller rebound. If the strike and weather effects are set aside, real output probably would have increased about 3.5 percent in each of the quarters. Real output increased about 6 percent in 1978:IV—substantially more than in 1978:III—mainly due to the swing in motor vehicle production from a sharp decline to a sharp increase.

In 1978:IV, **personal income** increased 3.2 percent, somewhat more than in 1978:III (seasonally adjusted, not at annual rates). Wage and salary disbursements increased more rapidly in 1978:IV than in 1978:III. In private wages and salaries, most of the acceleration was in manufacturing, where it centered in durable goods. Wages and salaries in private service-type industries also increased more than in 1978:III. In contrast, wages and salaries in construction increased less. In government, the Federal pay raise added substantially to payrolls in 1978:IV.

Farm proprietors' income accelerated, mainly due to deficiency payments to farmers under the target price provisions of the Food and Agriculture Act of 1977. Nonfarm proprietors' income decelerated, reflecting California's Proposition 13, which in 1978:III had led to a reduction in property tax liabilities. Transfer payments also decelerated; the increase in 1978:III had included a social security cost-of-living benefit increase.

If the effects of the Federal pay raise, Federal payments to farmers, Proposition 13, and the social security benefit increase are excluded, personal income so adjusted would have increased substantially more rapidly in 1978:IV than in 1978:III, instead of increasing only somewhat more rapidly.

The substantial acceleration of economic activity in 1978:IV that is suggested by personal income adjusted in this way is confirmed by labor market data. **Civilian employment** increased about 0.9 million in 1978:IV, compared with about 0.5 million in 1978:III. The increase in the **labor force** in 1978:IV—0.8 million—was one-fourth larger than the increase in 1978:III. Despite this large increase, **unemployment** and the **unemployment rate** were down, the latter to 5.8 percent in 1978:IV from 6.0 percent in 1978:III. In 1978:IV, the unemployment rate was 5.1 percent for whites and 11.5 percent for blacks and others.

In both September and October 1978, the **consumer price index** increased about 10 percent (at a seasonally adjusted annual rate). These increases were larger than the increases in July and August and were nearly as large as the monthly increases registered earlier in 1978. From October 1977 to October 1978, prices increased 8.9 percent. October-to-October price increases were largest in food, 11.5 percent, and services, 9.6 percent. The increase in commodities other than food was 7.0 percent. In November 1978, the consumer price index increased about 6 percent.

After recovering from last winter's severe weather, total **housing starts** were well-maintained through December 1978 despite high and rising interest rates. In each month of 1978:IV, starts totaled about 2.1 million (at a seasonally adjusted annual rate). The number of **building permits** for new private housing units remained strong through December 1978, indicating probable strength in housing starts in early 1979.

Regions and States

1977:III to 1978:III

Personal income

State personal income increased 12.1 percent. Real income increased about 4.2 percent, as the consumer price index increased 7.9 percent. The increase in current-dollar personal income exceeded the national increase in consumer prices by at least 1 percentage point in all States (and the District of Columbia) except Alaska and Michigan, where personal income increased 6.2 and 8.6 percent, respectively.

Most of the 22 States with above-average increases in personal income were in the South and West, including all States in the Southwest, Rocky Mountain, and Far West regions except Montana (map 1). Southern and western States have registered large increases during most of the seventies. From 1977:III to 1978:III, increases in farm income contributed strongly to the above-average increases in total personal income in Iowa and South Dakota. Mining wage and salary disbursements (payrolls) were particularly strong in Kentucky and West Virginia, which recovered from the adverse effects of wildcat strikes by coal miners in 1977:III, and in Minnesota, which recovered from an iron ore workers' strike in 1977:III. In most of the above-average States, payrolls in both construction and manufacturing increased faster than the national averages for construction (18.9 percent) and manufacturing (12.0 percent). Reflecting strength in commodity-producing industries, payrolls in private-service type industries also increased at above-average rates in most of these States.

Seven of the 10 States (and the District of Columbia) with below-average increases in personal income were in the Northeast-Great Lakes manufacturing belt, including all States in the Mideast region except Maryland. Manufacturing-belt States have registered small increases during most of the seventies. In most of the below-average States, payrolls in construction and government, as well as manufacturing (in particular, nondurables), increased at rates below the national average. As a result, private service-type industries were weak in nearly all of these States.

Manufacturing wages and salaries

Nationally, manufacturing wages and salaries (payrolls) increased 12.0 percent (map 2). The States with above-average increases included all those in the Southwest, Rocky Mountain, and Far West regions except New Mexico and Wyoming, and all of New England except Maine. In most of the above-average States, payrolls in both durables and nondurables manufacturing increased faster than the national averages for durables and nondurables. In the above-average States as a group, durables payrolls increased 22.3 percent versus 13.6 percent nationally, and nondurables payrolls increased 12.8 percent versus 9.3 percent nationally. The States (and the District of Columbia) with below-average increases were mainly in the Great Lakes and adjacent regions of the manufacturing belt. In most of the below-average States, both durables and nondurables payrolls increased at below-average rates; in the below-average States as a group, durables payrolls increased 8.1 percent, and nondurables payrolls increased 7.7 percent.

Civilian employment

Nationally, civilian employment increased 4.1 percent. Increases were registered in all States except Hawaii, Mississippi, and Arkansas (map 3). Most of the States with above-average increases were in the Far West and Rocky Mountain regions and northern New England. Nearly all of the States with below-average increases were in the Southeast, Plains, and Northeast-Great Lakes manufacturing belt.

Unemployment rates

Nationally, the unemployment rate in 1978:III was 5.9 percent. Four of the States (and the District of Columbia) with above-average rates were in the Mideast; the others were Alaska, Mississippi, Hawaii, California, Florida, and Michigan (map 4). Most of these States also registered above-average rates in 1978:II. The States with below-average rates were concentrated in the Plains and Rocky Mountain regions, where unemployment rates have been relatively low throughout the seventies, and in New England, where unemployment rates had been relatively high until recently.

From 1977:III to 1978:III, the national unemployment rate declined 0.9 percentage point. Eight States registered declines of 2 or more percentage points. In five of these—Washington, Nevada, New Jersey, Arizona, and Massachusetts—the decline mainly reflected strength in employment growth; and in the remaining three—the New England States of Rhode Island, Connecticut, and Maine—the decline mainly reflected weakness in labor force growth. While in 1977:III, most of the eight States had above-average unemployment rates, in 1978:III, most had near- or below-average rates. From 1977:III to 1978:III, 10 States registered unemployment rate increases. In five of these—Hawaii, Mississippi, Arkansas, South Dakota, and Delaware—the increase mainly reflected weakness in employment growth; and in the remaining five—Alaska, Indiana, Virginia, Wisconsin, and Kentucky—the increase mainly reflected strength in labor force growth.

Valuation of construction contracts

Nationally, the total valuation of construction contracts increased 14.3 percent. Most of the 19 States with above-average increases were in the Plains, Rocky Mountain, Far West, and Southeast regions (map 5). Among the 19 States, most had above-average increases in the valuation of residential housekeeping and nonresidential contracts, and ten had increases that exceeded 200 percent in the valuation of nonbuilding contracts. In Louisiana, North Dakota, Nebraska, Wyoming, Nevada, Virginia, Kentucky, and Wisconsin, the large increases in the valuation of nonbuilding contracts reflected contracts in 1978:III for the construction of

electric generating plants. The eight States (and the District of Columbia) with declines in the total valuation of contracts were geographically widespread. In New Hampshire, Georgia, and Indiana, the declines reflected large contracts for electric generating plants in 1977:III, which raised the total valuation of contracts to an unusually high level and thereby distorted the subsequent year-to-year change.

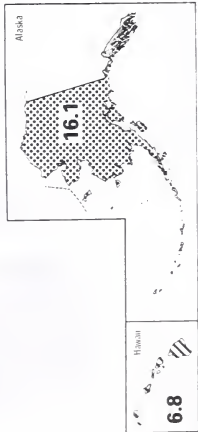
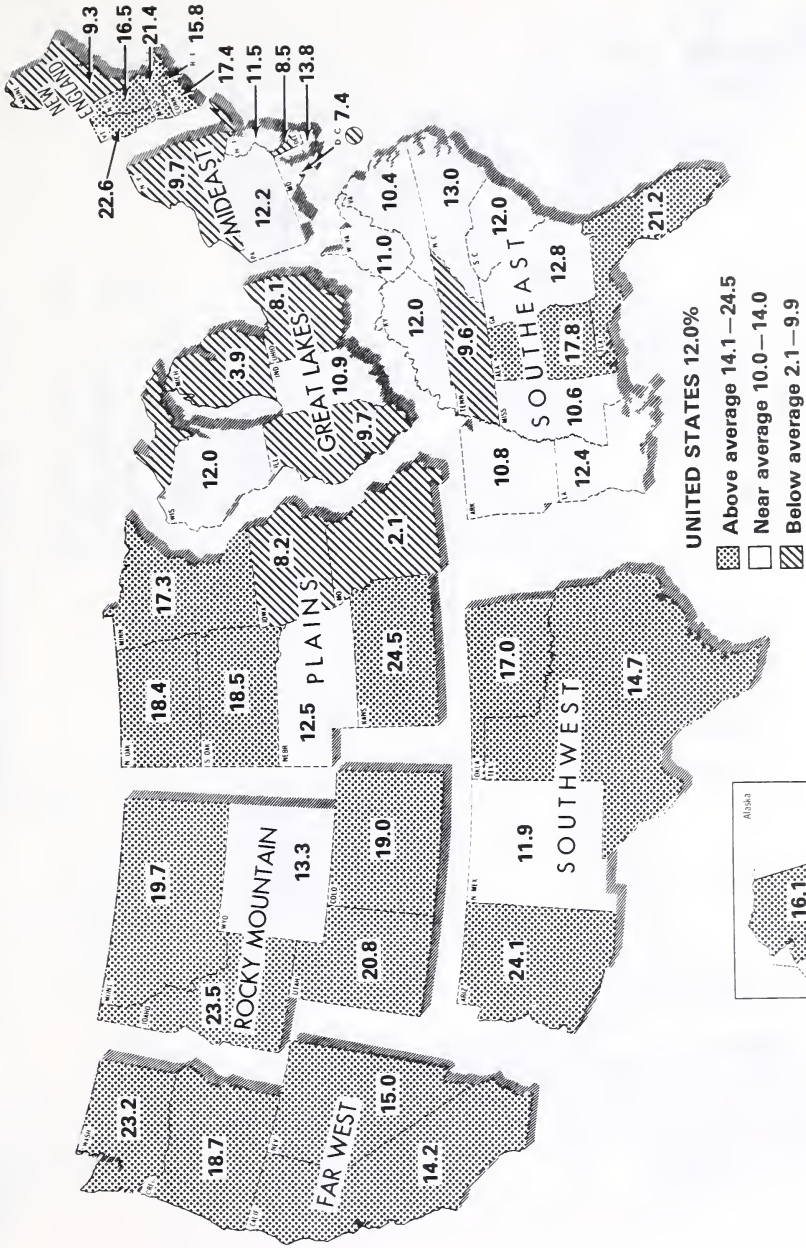
Number of dwelling units started

Nationally, the number of dwelling units started increased 0.4 percent. Most of the States with above-average increases were in the Plains, Rocky Mountain, Southeast, and New England regions, where increases in the valuation of residential housekeeping contracts also were strong (map 6). The States with large declines were concentrated in the Northeast-Great Lakes manufacturing belt and in the Far West. Each Far West State except Nevada had a large decline.

Value of commercial bank loans

Nationally, the value of commercial bank loans increased 16.3 percent. Most of the States with above-average increases were in the West, including all States in the Far West and Southwest regions except New Mexico (map 7). Nearly one-half of the States with below-average increases were in the Northeast-Great Lakes manufacturing belt.

Map 2. Manufacturing Wages and Salaries: Percent Change, 1977: III—1978: III



Map 3. Civilian Employment: Percent Change, 1977: III — 1978: III



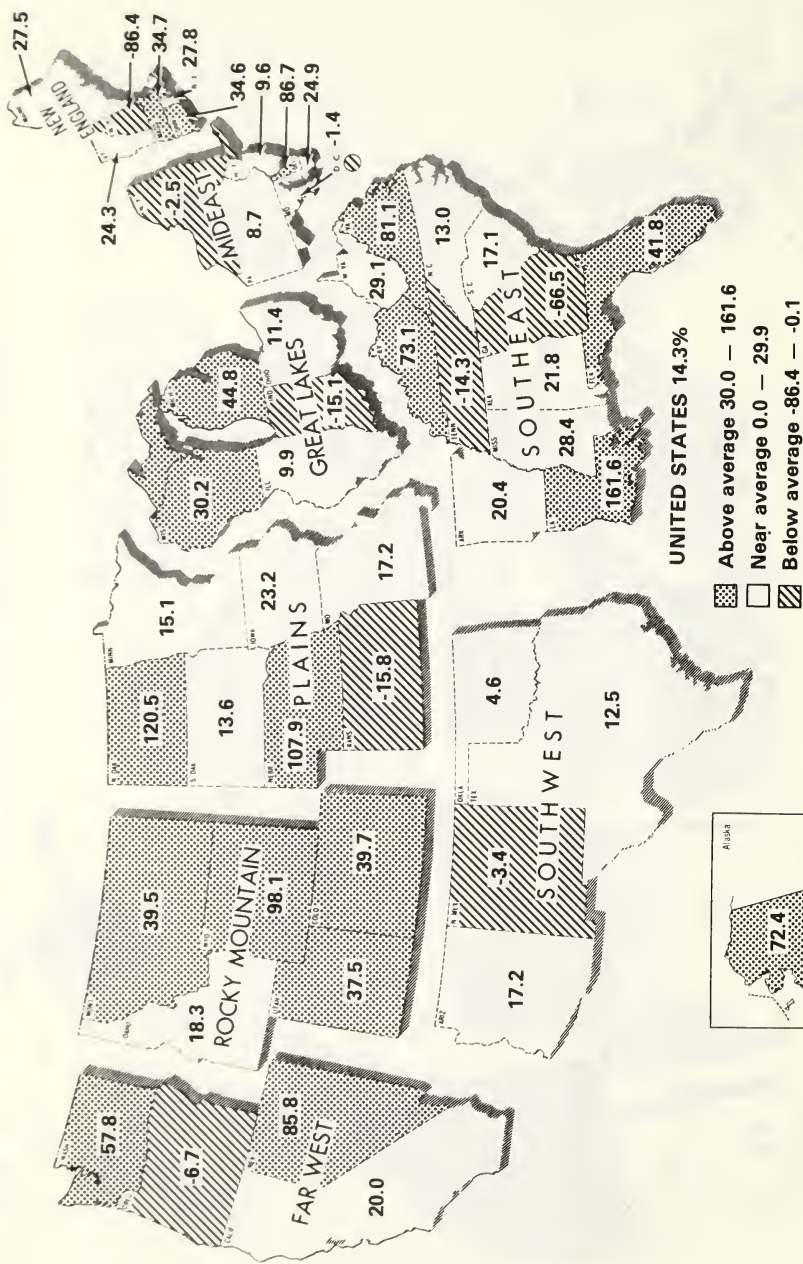
Unemployment Rates, 1978: III



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Map 5.

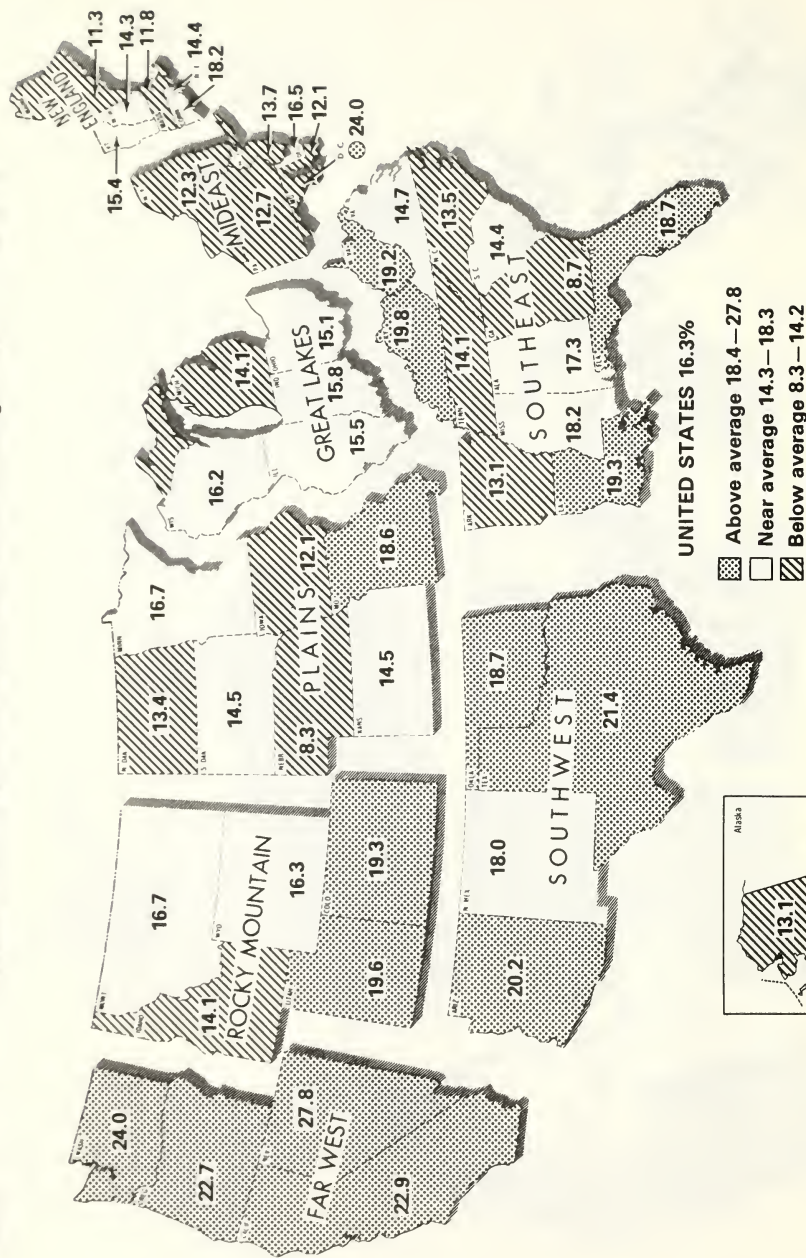
Valuation of Construction Contracts: Percent Change, 1977: III — 1978: III



Map 6. Number of Dwelling Units Started: Percent Change, 1977: III — 1978: III



Map 7. Value of Commercial Bank Loans: Percent Change, 1977: III — 1978: III



U.S. Department of Commerce, Bureau of Economic Analysis

PENN STATE UNIVERSITY LIBRARIES



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